DEPARMENT OF INDIAN AND NORTHERN AFFAIRS
Indian and Eskimo Affairs Program
Program Circular D-4

Policy Guildlines Related to Program Funding

March 27, 1975

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DEPARTMENT OF INDIAN AND NORTHERN AFFAIRS

Indian and Eskimo Affairs Program

Program Circular D-4

March 27, 1975

Policy Guidelines Related to Program Funding

A. INTRODUCTION

1.1 These guidelines set out the terms and conditions relevant to Departmental funding of programs managed by Indian Bands, District Councils or other local government authorities on behalf of the Department. They apply to all Bands now managing such programs, and to those that may from time to time undertake management of programs in the future.

1.2 Program Circular D-1 "General Terms and Conditions of the Local Government Program", and all definitions contained therein apply to this Circular.

1.3 "Program funding" means the costs of services, facilities, materials and supplies provided to Band members under a specific program in one of the categories detailed in 2.1., but is exclusive of the costs of related management and support services as detailed in Program Circular D-5 "Policy Guidelines Related to Band Managed Program Administration Costs".

1.4 "Joint Administration" means management through a mutually agreed upon combination of Departmental and Band staff for a defined transitional period during which the Band gradually assumes total administrative responsibility for the program. While a program is under joint management, approval and signing authorities related to the program require co-signature by the designated Band and Departmental officials.

1.5 Approval authority for funding of Programs rests with the Assistant Deputy Minister, Indian and Eskimo Affairs, unless otherwise specified in this or other Program Circulars.

1.6 The effective date of this Guideline is April 1, 1975 unless otherwise specified herein.

1.7 Suggestions for improvement or amendment of these guidelines may be sent to the appropriate Regional Director, or to the Assistant Deputy Minister, Indian and Eskimo Affairs.

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GOVERNMENT OF INDIA, NEW DELHI
Indian and Eastern Affairs Ministry

Program Circular D-4

March 17, 1978

Policy Guidelines Related to Program Funding

INTRODUCTION

1.1 These guidelines set out the terms and conditions relevant to departmental funding of programs managed by Indian Bands, District Councils, or other local government authorities on behalf of the Department. They apply to all bands from managing their programs, and to those bands who may from time to time undertake management of programs in the future.

1.2 Program Circular D-3 "General Terms and Conditions of the Local Government Program", and all subsidiary circulars pertain "with" to this circular.

1.3 "Program funding" means the costs of services, facilities, materials and supplies provided to Band members under a specific program in one of the two categories detailed in 2.1, but is exclusive of the costs of general management and support services as detailed in Program Circular D-3 "Policy Guidelines Related to Band Managed Program Administration Costs".

1.4 "Joint Administration" means management through a formally signed upon coordination of Department and Band staff for a defined transitional period during which the Band gradually assumes total administrative responsibility for the program. While a program is under joint management, approval and signing authorities related to the program remain co-signatures by the designated Band and Department officials.

1.5 Approval authority for funding of program costs with the Assistant Deputy Ministers, Indian and Eskimo Affairs, unless otherwise specified in this or other Program Circulars.

1.6 The effective date of this Guideline is April 1, 1978 unless otherwise specified herein.

1.7 Suggestions for improvement or amendment of these guidelines may be sent to the Appropriate Regional Director, or to the Assistant Deputy Minister, Indian and Eskimo Affairs.

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B. PROGRAM CATEGORIES

2.1 Programs are categorized as follows, and are detailed in Appendix "A":

(a) Transferrable Those programs which can be operated completely by a local government authority, subject only to the provisions of the "General Terms and Conditions of the Local Government Program" and to Treasury Board limitations as applicable.

(b) Transferrable under Agreement Those programs or activities for which the Department has responsibility, but of which the administration can be delegated to a local government authority on terms specified in formal agreements or contracts.

(c) Transferrable with the concurrence of a third party Included in this category are those programs which involve tri-partite responsibilities between the Department, a local government authority and a provincial, municipal or territorial authority. (e.g., school programs in non-Indian schools, child care).

(d) Non Transferrable Those programs for which the Department is responsible because of Treaty, Constitutional, statutory or other considerations.

C. PROGRAM FUNDING SOURCES

3.1 Funding for "transferrable" and "transferrable under agreement" programs may be accomplished by:

(a) Total funding by the Department;

(b) Total funding by the local government authority;

(c) Total funding by another Department, agency or level of Government; or,

(d) Joint funding by any or all of the above.

3.2 The responsibility for budgetting and determining and arranging the source(s) of funding for transferrable programs rests with the local government authority, subject to the concurrence of the Regional Director wherever and whenever Departmental funding is involved.

D. EVALUATION FOR TRANSFER OR WITHDRAWAL

4.1 After consultation with the Band Councils, Regional Directors are responsible for determining the extent of transfer of programs to Bands' managerial jurisdiction and for an assessment of the Bands' performance, as determined by:

(a) Financial Audit reports;

(b) Program Evaluation reports;

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PROGRAM CATEGORIES

2.1 Programs are categorized as follows, and are detailed in Appendix "A":

(a) Transferrable: These programs which can be operated conjointly by a local government authority, subject only to the provisions of the "General Terms and Conditions of the Local Government Programs" and to Treasury Board limitations as applicable.

(b) Transferrable only to Agreement: These programs or activities for which the department's bar responsibility, but of which the administration can be delegated to a local government authority or tribe, specified in formal agreements or contracts.

(c) Transferrable with the consent of a third party: Included in this category are those programs which involve transferring responsibilities between the Department, a local government authority, and a potential municipal or territorial authority. (e.g., school programs in non-Indian schools, child care).

(d) Non-transferrable: Those programs for which the Department is responsible because of Treaty, Constitutional, statutory or other considerations.

PROGRAM FUNDING STATUS

3.1 Funding for "transferrable" and "transferrable under agreement" programs may be accomplished by:

(a) Total funding by the Department;

(b) Total funding by the local government authority;

(c) Total funding by another Department, agency or level of government; or,

(d) Joint funding by any or all of the above.

3.2 The responsibility for budgeting and determining and arranging the source(s) of funding for transferrable programs rests with the local government authority, subject to the concurrence of the Regional Director Minister and wherever Departmental funding is involved.

4. EVALUATION FOR TRANSFER OR WITHDRAWAL

4.1 After consultation with the Band Councils, Regional Directors are responsible for determining the extent of transfer of programs to Band/municipal jurisdiction and for an assessment of the Bands' performance, as substantiated by:

(a) Financial Audit reports;

(b) Program evaluation reports;

(c) Qualifications of staff; and,

(d) Willingness to agree to the General Terms and Conditions of the Local Government Program.

4.2 The following criteria apply to rating Band performance in relation to 4.1 (a):

(a) Poor

If any one of the following apply:

(i) Monies are not spent for the purposes intended.

(ii) Internal control very weak.

(iii) Record-keeping is bad.

(iv) Auditor unable to express an opinion or has serious reservations re financial statements.

(b) Fair

If all of the following apply:

(i) Generally monies are spent for the purposes intended.

(ii) Internal control basically sufficient but requires improvement.

(iii) Record-keeping meets minimum requirements.

(iv) Audit covers all operations.

(v) Minor qualifications on financial statements.

(c) Good

If all of the following apply:

(i) Monies are spent for the purposes intended.

(ii) Internal control is strong.

(iii) Record-keeping is satisfactory.

(iv) Audit covers all operations.

(v) Band Financial Regulations are in use.

(vi) Financial Statements satisfactory.

(c) Qualifications of staff; and.

(d) Willingness to agree to the General Terms and Conditions of the Local Government Program.

4.2 The following criteria apply to rating fund performance in relation to 4.1 (a):

(a) Poor

It may one of the following apply:

(i) Monies are not spent for the purposes intended.

(ii) Internal control very weak.

(iii) Record-keeping is bad.

(iv) Auditor unable to express an opinion or has serious reservations re financial statements.

(b) Fair

It all of the following apply:

(i) Generally monies are spent for the purposes intended.

(ii) Internal control basically sufficient but requires improvement.

(iii) Record-keeping meets minimum requirements.

(iv) Audit covers all operations.

(v) Minor qualifications on financial statements.

(c) Good

It all of the following apply:

(i) Monies are spent for the purposes intended.

(ii) Internal control is strong.

(iii) Record-keeping is satisfactory.

(iv) Audit covers all operations.

(v) Bank financial requirements are in use.

(vi) Financial statements satisfactory.

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4.3 Where Bands are already managing programs, Regional Directors will rate them on the basis of the criteria listed in 4.1 and 4.2 in order to determine the extent of additional transfers that may be made to them or, in cases where a decision is made to change or withdraw the administration of a program, to determine the degree of change or withdrawal. The Rated Categories will be as follows:

(a) Category A: Performance good, additional programs may be transferred.

(b) Category B: Performance fair, maintain current level of transfers or transfer additional programs under joint Departmental/Band management.

(c) Category C: Performance poor, in specific areas, withdraw specific programs.

(d) Category D: Performance poor, in all areas, withdraw all programs.

4.4 In cases where a Band wishes to assume managerial responsibility for the first time, the Regional Director in consultation with the Band, will make an assessment, supported by documentation, of the Band's capability to manage programs effectively in accordance with 4.1 (c) and (d). Meetings with the Band Council are to be an integral part of the initial assessment process.

E. APPROVAL OF TRANSFERS/WITHDRAWALS

5.1 The following are the levels at which transfer of programs is to be approved:

(a) Headquarters

(i) all transfers involving transfer or termination of Departmental staff positions;

(ii) all new program transfers involving amounts of $50,000.00 or above; and,

(iii) all withdrawals in Category D under item 4.3.

(b) Regional Headquarters

(i) all new transfers in Categories A and B under item 4.3;

(ii) all new transfers involving amounts of $10,000.00 to $50,000.00;

(iii) all withdrawals in Category C under item 4.3.

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4.3 Where funds are already managing programs, Regional Directors will rate them on the basis of the criteria listed in 4.1 and 4.2 in order to determine the amount of additional transfers that may be made to them or, in cases where a decision is made to change or withdraw the association of a province, to determine the degree of change or withdrawal. The Rated Categories will be as follows:

(a) Category A: Performance good, additional programs may be transferred.

(b) Category B: Performance fair, maintain current level of transfer or transfer additional programs under joint Departmental/Fund management.

(c) Category C: Performance poor - in specific areas, withdraw specific programs.

(d) Category D: Performance poor, in all areas, withdraw all programs.

4.4 In cases where a Fund wishes to assume managerial responsibility for the first time, the Regional Director in consultation with the Fund, will make an assessment, supported by documentation, of the Fund's capability to manage programs effectively in accordance with 4.1 (c) and (d). Meetings with the Fund Council are to be an integral part of the initial assessment process.

5. APPROVAL OF TRANSFERS/WITHDRAWALS

5.1 The following are the levels at which transfer of programs is to be approved:

(a) Headquarters

(i) all transfers involving transfer or termination of Departmental staff positions;

(ii) all new program transfers involving amounts of $50,000.00 or above; and,

(iii) all withdrawals in Category D under item 4.3.

(b) Regional Headquarters

(i) all new transfers in Categories A and B under item 4.3;

(ii) all new transfers involving amounts of $10,000.00 to $50,000.00;

(iii) all withdrawals in Category C under item 4.3.

(c) District Office

(i) all new transfers in Categories A and B involving amounts of $9,999.00 and under;

(ii) continuation of existing transferred administration, subject to provisions of item 5.1 (a) and (b) concerning withdrawal of programs.

F. TIMING - TRANSFERS/WITHDRAWALS

6.1 The following timetable is to be followed in transferring or withdrawing programs:

(a) Seven months' notice to Headquarters:

(i) Programs involving $50,000.00 or more;

(ii) Programs involving transfers or termination of staff positions.

(b) Prior to February 1, and seven months' notice to Headquarters:

(i) Schools;

(ii) Student residences.

(c) Three months' notice to Headquarters:

(i) Programs involving over $50,000.00 and no transfers or terminations of staff positions.

(d) Notice period individually negotiated:

(i) Programs involving under $50,000.00 and no transfers or terminations of staff positions.

G. FORMALIZATION OF TRANSFERS

7.1 Contractual agreements are required for the transfer of programs involving funds in excess of $25,000.00 and for transfers involving less than $25,000.00 if a contract is mutually desired by the Band and the Department.

7.2 Band Council Resolutions approved at the level indicated in Section E are required for transfers of programs involving less than $25,000.00 unless a contractual agreement under item 7.1 has been made.

H. BUDGETARY CONSIDERATIONS AND STAFFING

8.1 In the eventuality that due to transfer of programs to Band administration unexpected additional costs are identified, Regional budgets are to be adjusted to reflect the necessary amount as a "B" level increase, and subsequent "A" levels are to reflect the increased ongoing cost.

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8.2 The costs of Band staff salaries with attendant normal increases, as well as additional staffing costs (if any) to implement programs transferred to Bands, are to be included in the program budgetting process and are to form part of the total program cost forecasts. (Refer to Program Circular D-6).

8.3 Programs that are jointly administered under provisions of item 4.3 (b) are to be funded on a negotiated share basis, and provisions are to be made in the budget that will ensure no duplicate or overlapping funding occurs during the period of joint administration unless the Regional Director is satisfied that such overlapping or duplication is in the interests of eventual exclusive management of the program by the Band.

RECOMMENDED BY: Director, Community Affairs — March 27/75 Date

APPROVED BY: Assistant Deputy Minister, Indian and Eskimo Affairs. — MAR 27 1975 Date

APPENDIX "A"

1. Transferrable Programs - those groupings of activities for which funds can be transferred without agreement, usually on a formula basis, and within which flexibility is possible. For example, funds in the Community Education activity could be transferred from one sub-activity to another.

   (a) Community Education

   Scholarships
   Education Committees
   Cultural Grants
   Adult Education
   Library contributions

   (b) Community Recreation

   Recreation contributions
   Commercial Recreation

   (c) Economic Development

   CESO Services
   Wildlife, Fisheries & Forest Management

   (d) Core Funding

N.B. The foregoing contributions are accountable through the usual audit.

2. Transferrable Programs on a contractual or agreement basis:

Professional Education (Teacher training)
Educational Studies and Research
School Maintenance and Utilities
Curriculum Enrichment
Maintenance of Students in Private Homes
Student Allowances (elementary & secondary)
Seasonal transportation
Employment and Relocation
Daily transportation
Federal School Instruction
Federal School Inspection
Student Residences
Vocational Education (including transp. and allowances)
Policing (band constables only)
Consulting Services
Social Assistance
Work Opportunity
Preventive Social Services
Fire Prevention
Infrastructure - construction & maintenance
Subsidy and Band Administered Housing
Band Membership
Band elections (except appeals under Section 74)
Community Planning (land use planning & management)
Control of Band Capital & Revenue Funds (special projects only)
Band Economic Development Committees

3. Programs not transferrable without concurrence of a particular third party:

Education in non-Federal Schools (Province or School Board)
Child Welfare (Provincial legislation and jurisdiction)

4. Non-transferrable programs:

Capital Construction - Joint & Federal Schools
Policing (Option 3b)
On-Off Reserve Housing - CMHC loans
Band elections - appeals under Section 74
Band Capital Funds
Legislation
B.C. Fishermans Assistance Program
Federal-Provincial Agreements (e.g. Lands, Resources, fire fighting, etc.)
Sectorial Programs (agriculture, etc.)
Cultural Centres - until March 31, 1976
Legal Aid
Claims
Treaties and Annuities
Indian Economic Development Fund
Economic Incentives
Estate Administration
Arts & Crafts Central Marketing - Indian Corporation by 1978

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